



CITY COUNCIL SPECIAL MEETING AGENDA

July 28, 2014

**6:15 p.m. - Special Meeting for the purpose of holding an Executive Session
to discuss potential litigation per RCW 42.30.110(1)(i) and real
estate disposition per RCW 42.30.110(1)(c)**

7:00 p.m. – Special Meeting

PAGE NO.

1. CALL TO ORDER

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL

4. CORRESPONDENCE FOR THE RECORD

- | | |
|---|----|
| a. Email Dated July 10, 2014, from Faye Guenther with Response from Ramesh Davad, Development Review Engineer, Regarding Speed Bumps. | 3. |
| b. Email Dated July 11, 2014, from Susan Hope with Response from Brian Victor, Capital Projects Manager, Regarding Road Work on SW 152 nd Street and 21 st Ave. SW. | 5. |

5. DISCUSSION ITEMS

- | | |
|--|-----|
| a. Discussion of Draft Economic Development Goals and Actions. | 9. |
| b. Follow-up to 2015-2020 Financial Forecast. | 21. |

6. ADJOURNMENT

COUNCILMEMBERS

**Lucy Krakowiak, Mayor
Lauren Berkowitz**

**Bob Edgar, Deputy Mayor
Gerald F. Robison Nancy Tosta**

**Stephen Armstrong
Debi Wagner**

City Hall, 400 SW 152nd Street, 1st Floor

From: fayeireneguenther [<mailto:fayeireneguenther@gmail.com>]
Sent: Thursday, July 10, 2014 7:48 PM
To: Public Council Inbox
Subject: Speed Bumps

Dear City Council,

I live in a neighborhood with lots of young kids and pets, the road I live on is one street over from Des Moines Memorial. Many folks from outside our neighborhood drive fast on our residential street. Also, because my street is on a hill, late at night some people race on the street, and sometimes even during the day.

I wonder how do I go about lobbying for a speed bump? I spoke with my next door neighbor, who is a single mom with kids and she also supports a speed bump.

Thank you for letting me know how to proceed.

Faye Guenther
12419 16th Ave S
Burien, WA 98168

cell: 206 294 9337

Sent from my T-Mobile 4G LTE Device

Carol Allread

From: Brian Roberts
Sent: Tuesday, July 22, 2014 9:41 AM
To: Kamuron Gurol; Maiya Andrews
Cc: Public Council Inbox
Subject: FW: CFTR: Guenther- Speed Bumps

Kamuron and Maiya,
Please see the below summary of staff's response to Ms. Gunther

From: Ramesh Davad
Sent: Monday, July 21, 2014 4:35 PM
To: Brian Roberts
Subject: RE: CFTR: Guenther- Speed Bumps

Hi Brian,

I had a discussion with Ms. Guenther on 7/15/14 regarding her request for speed hump policy and procedure. I informed her of the following :

- 1) The City will conduct a speed study in August to collect Average Daily Traffic volume, 85th percentile speed and accident history. I will evaluate those data and coordinate with her and Police , if there is any need for police enforcement.
- 2) Coordinate with Police, Fire and Highline school District to make sure that they don't have any objection for proposed speed hump because it might slow down response from the Police and Fire Departments.
- 3) Prepare speed hump warrant per MUTCD.
- 4) If speed hump warrant meets all the criteria per MUTCD and other agencies (Police, Fire and School District) do not have any objection for proposed speed hump then the City staff will prepare a petition.
- 5) City staff will send the petition to Ms. Guenther to collect signatures from the neighborhood residents in the support of the permanent installation of neighborhood traffic calming device (speed hump).
- 6) If 60% of the neighborhood residents support the permanent installation of a speed hump then the City crew or a contractor will install the speed hump per MUTCD.

If you have any questions, please let me know.

Thank you
Ramesh

From: Public Council Inbox
Sent: Monday, July 14, 2014 12:30 PM
To: 'fayeireneguenther'
Subject: RE: Speed Bumps

Dear Ms. Guenther,

Thank you for writing to the City Council to express your concerns. Your inquiry has been forwarded to staff for follow-up, and your email will be included in a future Council agenda packet as Correspondence for the Record.

Sincerely,

Carol Allread

Staff Follow-up By Brian Roberts, Assistant Public Works Director

and
Ramesh Davad, Engineer

CFTR: 7/28/14

Carol Allread

From: Carol Allread
Sent: Monday, July 14, 2014 1:33 PM
To: Public Council Inbox
Subject: FW: Road work on 152nd & 21st

-----Original Message-----

From: Bob Edgar
Sent: Friday, July 11, 2014 5:58 PM
To: Kamuron Gurol; Maiya Andrews
Cc: Monica Lusk; Council Members
Subject: FW:

Kamuron/Maiya,

I had contacted some businesses on 152nd with brief information about upcoming road work this summer.

Please include this email in the Correspondence for the Record.

Thanks,
Bob Edgar

From: shoplollipops [shoplollipops@hotmail.com]
Sent: Friday, July 11, 2014 8:05 AM
To: Bob Edgar
Subject:

Hi, My name is Susan Hope. I own Lollipops on 152nd & 21st. I received a yellow flyer about work on 152nd St - Summer 2014. I am looking forward to the new nice roadway. I am concerned about my customers having access & detour routes to my business. Could you let me know if there are plans to help the businesses? Thank you, Susan Hope

Staff Follow-up by Brian Victor, Capital Projects
manager/Engineer

CFTR: 7/28/14

Carol Allread

From: Carol Allread
Sent: Monday, July 21, 2014 10:25 AM
To: Public Council Inbox
Subject: FW: Follow up please

From: Brian Victor
Sent: Friday, July 18, 2014 2:00 PM
To: Brian Roberts
Cc: Kamuron Gurol; Maiya Andrews
Subject: RE: Follow up please

Hello:

I met with Susan Hope today at 12:30 PM at her store at 2038 SW 152nd St.

For the most part, she was very appreciative that someone from the City had come to her shop because she did not expect it. I informed her of the following:

- Project Ad - Thursday (July 10)
- Contractor on-board by the first part of August
- Construction work to commence around mid- to late- August.
- Project length is 40 working days.
- Work to include new asphalt overlay and storm drain work on SW 152nd.

She is understanding of the work and is happy to know SW 152nd Street will be a "nicer road" for her customers. She has asked if we can provide alternative routes so her customers can still reach her. I also informed her that we would also be keeping one lane open at all times.

To appease her concerns about her business, I informed her that we would keep her alerted through emails and even phone calls. I will be adding her name to a list of people (who have specifically inquired about the project) to update them as needed about the project before and during the project. I plan to send out a flyer to most folks on this street as soon as I can get one approved.

She did bring to my attention two issues she would like addressed. One of which are concrete parking bumpers that she would like removed. The other is that of a limited parking time request (with enforcement when needed) for three parallel parking stalls in front of her store. Regarding the latter, she has had people parking in front of her store 24-hours a day which is an inconvenience to her disabled customers. Regarding the former, these concrete parking bumpers have to be removed for grind/overlay. I will simply inform the contractor not to replace them.

I ended our conversation with inviting her to contact me anytime to discuss any concerns she may have about the project. She was thankful for this service. ☺

I believe our conversation went well and was pleasant. She seems very supportive of the project.

Brian R. Victor, P.E. (WA/UT)
Capital Projects Manager | Engineer
Direct 206.248.5533
"Innovative Stewards of Public Trust"



-----Original Message-----

From: Kamuron Gurol
Sent: Monday, July 14, 2014 9:28 AM
To: Maiya Andrews; Brian Roberts; Brian Victor
Subject: Follow up please

Another business owner Brian V should contact re SW 152nd St overlay, thanks

-----Original Message-----

From: Bob Edgar
Sent: Friday, July 11, 2014 5:58 PM
To: Kamuron Gurol; Maiya Andrews
Cc: Monica Lusk; Council Members
Subject: FW:

Kamuron/Maiya,

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**CITY OF BURIEN
AGENDA BILL**

Agenda Subject: Discussion of Draft Economic Development Goals and Actions		Meeting Date: July 28, 2014
Department: City Manager	Attachments: 1) Goals and Actions Matrix. 2) Previous Draft of Goals & Actions	Fund Source: N/A Activity Cost: \$0 Amount Budgeted: \$0 Unencumbered Budget Authority: \$0
Contact: Dan Trimble, Economic Development Manager		
Telephone: (206) 248-5528		
Adopted Work Plan Priority: Yes No <input checked="" type="checkbox"/> X	Work Plan Item Description:	
PURPOSE/REQUIRED ACTION: The purpose of this agenda item is for the City Council to discuss Economic Development Goals and Actions for the 2015-2016 budget cycle and beyond. BACKGROUND (Include prior Council action & discussion): The Council completed the Economic Development Strategic Plan process on June 9, 2014 and initiated a new effort to define the City's Economic Development Goals and Actions for the 2015-2016 budget cycle and beyond. All Council members submitted Goals and Actions to staff. The Council discussed draft Goals on June 23, 2014. Staff has compiled the draft Goals and the proposed Actions into a matrix for Council discussion (Attachment 1). Staff is recommending that the Council discuss and refine the proposed Actions to focus on the key priorities for the next two year budget cycle. Following this meeting Staff will work to provide initial resource estimates for the priority items prior to the Council meeting scheduled for August 11, 2014. The facilitator for the Economic Development Dialog on September 27, 2014 will also be at that meeting to discuss the proposed schedule for the Dialog. OPTIONS (Including fiscal impacts): N/A		
Administrative Recommendation: Discuss Draft Economic Development Goals and Actions, and provide direction to Staff as appropriate.		
Advisory Board Recommendation: None.		
Suggested Motion: None.		
Submitted by: Dan Trimble Administration _____ City Manager _____		
Today's Date: July 23, 2014		File Code: R:\CC\Agenda Bill 2014\072814cm-1 EconDevGoals.docx

Source*	Economic Development Goals and Actions Summary of City Council Discussion Items City Council DRAFT July 28, 2014				
	DRAFT GOAL	PROPOSED ACTION	RESPONSIBLE ACTOR Public/Private/NGO	STAFF COMMENTS	CC Direction
	Goal A: Attract and retain businesses through an active business retention and recruitment program				
DW		1. Fill vacant storefronts in town square (Continue to pressure owners on market pricing, active tenant recruitment, and interior work progress).	Public/ Private	Staff would continue this action.	
SA		2. Capitalize on proximity to SeaTac airport, the City of Seattle, and available open space capacity for more & diverse business opportunities.	Public/Private/NGO	Staff would include this as part of the improved marketing and branding efforts.	
NT		3. Profile Burien's businesses – types, number of employees, average revenue and for those that have left/failed – the reasons why.	Public/NGO	Staff would develop an analysis tool to capture business activity.	
BE LK		4. Develop a business retention and recruitment plan that addresses the following: <ul style="list-style-type: none"> • What kinds of information do we need to help Burien retain and recruit businesses? • What can the city do to help Burien businesses prosper? • What would entice businesses to locate in Burien? • What kinds of businesses would citizens like to see in Burien? • What kinds of businesses would entice regional consumers to visit and shop in Burien? 	Public/Private/NGO	Staff recommends this as a priority item for 2105.	
	Sub-Goal A1: Pursue major developments that have a positive, large-scale impact on Burien's economic base				
NT		1. Explore all options for attracting a hotel to Burien, including co-location with conference, training, or performing arts facility. Identify sites, constraints, opportunities, and needed resources.	Public/Private	Staff recommends this as a priority item for 2105.	
LK		2. Build out the Northeast Redevelopment Area with industrial/commercial development.	Public/Private	Staff would continue this action.	
JR		3. Attract R&D firms, hi-tech manufacturing in the Northeast Redevelopment Area.	Public/Private/NGO	Staff would include this as part of the improved business recruitment efforts.	

Source*	Economic Development Goals and Actions Summary of City Council Discussion Items City Council DRAFT July 28, 2014				
	DRAFT GOAL	PROPOSED ACTION	RESPONSIBLE ACTOR Public/Private/NGO	STAFF COMMENTS	CC Direction
JR		4. Work in the Downtown area to promote infill developments, fill storefronts, pursue new development (multi-story buildings), and expanded existing businesses.	Public/Private/NGO	Staff would continue this action.	
JR		5. Pursue major developments on the east side of First Ave, such as hotel or office.	Public/Private	Staff recommends this as a priority item for 2105/2016.	
	Sub-Goal A2: Identify, support, and expand Burien's base of small businesses that contribute to the culture, diversity, and resiliency of our community, with a focus on businesses related to the arts and foods				
NT		1. Identify city-owned vacant and under-utilized land that might potentially support art or food related sources of revenue and determine constraints, opportunities, and needed resources to take action.	Public/NGO	Further Council discussion could help determine the expected level and type of support from the City.	
NT		2. Identify ways to encourage and promote such businesses, such as incentives, training, special zoning districts (Arts, Food, Business, Tourist, etc), etc. Consider these options across all neighborhoods/corridors in Burien.	Public	Staff would include this as part of the improved business recruitment efforts. Some areas might be combined for more impact, such as Arts and Tourism.	
NT		3. Consider partnerships with the Skills Center and Highline College Small Business programs to identify opportunities to train and develop small-business entrepreneurs.	Public/NGO	The City currently supports the SBDC at HC and staff serves on the advisory committee for PSSC. Areas of improvement can be examined.	
NT		4. Work with the Soundside Alliance, the SWKCC, and others regional organizations to leverage action throughout all Highline communities.	Public/NGO	Staff would continue this action.	
	Goal B: Improve the branding and marketing of Burien, including our businesses and many natural assets				
BE		1. Developing a Burien Brand (What amenities or theme can Burien leverage?).	Public/Private/NGO	Staff recommends this as a priority item for 2105.	
BE		2. Market Seahurst Park as a destination.	Public/NGO	Staff would continue this ongoing activity following the reopening of the	

Source*	Economic Development Goals and Actions Summary of City Council Discussion Items City Council DRAFT July 28, 2014				
	DRAFT GOAL	PROPOSED ACTION	RESPONSIBLE ACTOR Public/Private/NGO	STAFF COMMENTS	CC Direction
				Park and seek ways to enhance the awareness of the Park.	
		3. Help existing business to prosper (newsletter, joint advertising, and partner more with Discover Burien).	Public/Private/NGO	Staff would include this as part of the improved marketing and branding efforts.	
DW		4. Support a Shop Burien campaign. Find out why 53% of people living in Burien regularly shop elsewhere (what do we need to supply the needs of the community) compared to other cities at 20%.	Public/Private/ NGO	Staff would work with Discover Burien to enhance the Shop Burien campaign and on shopper/customer surveys.	
NT		5. Survey the community to understand why they shop elsewhere and what would help them shop in Burien (do this with representation from a wide cross-section of residents).	Public/ NGO	Staff would work with a survey firm or market research firm to collect this information.	
DW		6. Work with Discover Burien to amplify marketing and branding opportunities. Explore holding public markets on Sunday and invite local restaurants to provide a food court.	Public/ NGO	Staff would include this as part of the improved marketing and branding efforts.	
	Sub-Goal B1: Enhance Burien's image as a family friendly/business friendly community				
LK		1. Improve Public Safety.	Public	Staff would work to connect businesses with PD staff to discuss security and safety concerns.	
LB		2. In response to significant citizen concern regarding animal control and animal care issues, the city will create a task force group to study and recommend policy around animal issues, including but not limited to CARES, animal control patrols, and stray cats.	Public/NGO	This item seems to be more of a general governance or City Management issue.	
DW		3. Use potential workforce to clean up Burien and help on work-crews.	Public/NGO	The City is currently partnering with Discover Burien and King County on cleanup crew efforts.	
DW		4. Survey and find out what families especially children living in Burien want for recreation/entertainment opportunities. There is nothing for a teenager to do in Burien on a Friday night for instance except go bowling.	Public	ED Staff would work with Parks Department staff to explore public and private ways to enhance offerings for teens and families.	

Source*	Economic Development Goals and Actions Summary of City Council Discussion Items City Council DRAFT July 28, 2014				
	DRAFT GOAL	PROPOSED ACTION	RESPONSIBLE ACTOR Public/Private/NGO	STAFF COMMENTS	CC Direction
BE		5. Encourage development of more middle and high end housing options.	Public/Private	Staff would review existing housing supply availability and would work with developers to fill in market gaps.	
	Goal C: Strengthen the consumer base in the City of Burien				
ST		1. The City should initiate a parking study that identifies current on-and-off street parking supply and demand, core parking challenges, and strategies and tools to reduce parking barriers to revitalization. Explore establishing a Parking and Business Improvement District.	Public/Private/NGO	Staff would work with businesses in parking impacted areas to explore ways to solve parking issues on a district level.	
	Sub-Goal C1: Balance support for businesses with support for the workers who make those businesses possible as employees and who support for the consumer base				
LB		1. Evaluate and implement best practices for ensuring Burien is home to a strong workforce with a high standard of living.	Public/Private/NGO	Staff would work with stakeholders to seek improvements to workforce development and employment opportunities for residents.	
LB		2. Consider recruitment and retention of labor, and consider the context of neighboring cities that have implemented more favorable labor practices than our current practices.	Public/Private/NGO	Staff would work with stakeholders to seek improvements to workforce development and employment opportunities for residents.	
	Sub-Goal C2: Improve multi-modal transportation availability and choices				
LB		1. In response to significant citizen concern for the safety of pedestrians and recent transit cuts, the city will make increasing its pedestrian, bike, mass transit, and other non-automobile modes of transit among our highest priorities. The City will also attempt to address inequities within the current available options.	Public/NGO	Staff would work with the County, WABI and other stakeholders to seek improvements to multimodal transportation options for residents.	

Source*	Economic Development Goals and Actions Summary of City Council Discussion Items City Council DRAFT July 28, 2014				
	DRAFT GOAL	PROPOSED ACTION	RESPONSIBLE ACTOR Public/Private/NGO	STAFF COMMENTS	CC Direction
	Sub-Goal C3: Explore opportunities for and enhance engagement and ownership in economic activities within Burien (e.g., cooperatives, value chains) that create more types of wealth and increase livelihoods				
NT		1. Clarify potential role of the city in promoting such efforts.	Public/Private/NGO	More information would be needed to determine the role of City staff in implementing this goal.	
	Goal D: Improve the quality of life in Burien				
SA		1. Enhance Burien’s appeal to attract more business.	Public/Private/NGO	Staff would include this as part of the improved marketing and branding efforts.	
SA		2. Expand support and assistance to small businesses.	Public/NGO	The City currently supports the SBDC at HC and staff serves on the advisory committee for PSSC. Areas of improvement can be examined.	
DW		3. Remove impediments to development.	Public	Staff would continue this action and seek feedback on additional impediments.	
SA		4. Make it easy to start a business and become more friendly and supportive of existing businesses/property owners/developers.	Public	The City currently supports the SBDC at HC and staff serves on the advisory committee for PSSC. Areas of improvement can be examined.	

*-JR (Council member Jerry Robison), NT (Council member Nancy Tosta), LB (Council member Lauren Berkowitz), LK (Mayor Lucy Krakowiak), SA (Council member Stephen Armstrong), DW (Council member Debi Wagner), BE (Deputy Mayor Bob Edgar), and ST (City Staff)

Abbreviation Key: NGO – Non-Governmental Organizations, R&D – Research and Development, SBDC – Small Business Development Center, HC – Highline College, PSSC – Puget Sound Skills Center, SWKCC – Southwest King County Chamber, PD – Police Department, and ED – Economic Development

Economic Development Goals and Actions

Goal A: Attract and retain businesses through an active business retention and recruitment program

1. Action: Fill vacant storefronts in town square (Continue to pressure fed level for reduction of price, actively recruit, finish interior).
2. Action: Capitalize on proximity to SeaTac airport, the City of Seattle, and available open space capacity for more & diverse business opportunities.
3. Action: Profile Burien's businesses – types, number of employees, average revenue and for those that have left/failed – the reasons why.
4. Action: Develop a business retention and recruitment plan that addresses the following:
 - What kinds of information do we need to help Burien retain and recruit businesses?
 - What can the city do to help Burien businesses prosper?
 - What would entice businesses to locate in Burien?
 - What kinds of businesses would citizens like to see in Burien?
 - What kinds of businesses would entice regional consumers to visit and shop in Burien?

Goal B: Improve the branding and marketing of Burien, including our businesses and many natural assets

1. Action: Developing a Burien Brand (What amenities or theme can Burien leverage?).
2. Action: Market Seahurst Park as a destination.
3. Action: Help existing business to prosper (newsletter, joint advertising, and partner more with Discover Burien).
4. Action: Support a Shop Burien campaign. Find out why 53% of people living in Burien regularly shop elsewhere (what do we need to supply the needs of the community) compared to other cities at 20%.
5. Action: Survey the community to understand why they shop elsewhere and what would help them shop in Burien (do this with representation from a wide cross-section of residents).
6. Action: Work with Discover Burien to amplify marketing and branding opportunities. Explore holding public markets on Sunday and invite local restaurants to provide a food court.

Goal C: Balance support for businesses with support for the workers who make those businesses possible as employees and who support for the consumer base

1. Action: Evaluate and implement best practices for ensuring Burien is home to a strong workforce with a high standard of living.
2. Action: Consider recruitment and retention of labor, and consider the context of neighboring cities that have implemented more favorable labor practices than our current practices.

Goal D: Improve multi-modal transportation availability and choices

1. Action: In response to significant citizen concern for the safety of pedestrians and recent transit cuts, the city will make increasing its pedestrian, bike, mass transit, and other non-automobile modes of transit among our highest priorities. The city will also attempt to address inequities within the current available options.

Goal E: Explore opportunities for and enhance engagement and ownership in economic activities within Burien (e.g., cooperatives, value chains) that create more types of wealth and increase livelihoods

1. Action: Clarify potential role of the city in promoting such efforts.

Goal F: Improve the quality of life in Burien and restore Burien's image as a family friendly/business friendly community

1. Action: Improve Public Safety.
2. Action: In response to significant citizen concern regarding animal control and animal care issues, the city will create a task force group to study and recommend policy around animal issues, including but not limited to CARES, animal control patrols, and stray cats.
3. Action: Use potential workforce to clean up Burien and help on work-crews.
4. Action: Survey and find out what families especially children living in Burien want for recreation/entertainment opportunities. There is nothing for a teenager to do in Burien on a Friday night for instance except go bowling.
5. Action: Encourage development of more middle and high end housing options.
6. Action: Enhance Burien's appeal to attract more business.
7. Action: Expand support and assistance to small businesses.
8. Action: Remove impediments to development.
9. Action: Make it easy to start a business and become more friendly and supportive of existing businesses/property owners/developers.

Goal G: Pursue major developments that have a positive, large-scale impact on Burien's economic base

1. Action: Explore all options for attracting a hotel to Burien, including co-location with conference, training, or performing arts facility. Identify sites, constraints, opportunities, and needed resources.
2. Action: Build out the Northeast Redevelopment Area with industrial/commercial development.
3. Action: Attract R&D firms, hi-tech manufacturing in the Northeast Redevelopment Area.
4. Action: Work in the Downtown area to promote infill developments, fill storefronts, pursue new development (multi-story buildings), and expanded existing businesses.
5. Action: Pursue major developments on the east side of First Ave, such as hotel or office.

Goal H: Identify, support, and expand Burien's base of small businesses that contribute to the culture, diversity, and resiliency of our community, with a focus on businesses related to the arts and foods

(These areas of emphasis recognize the existing basis in these sectors and the opportunity they provide for Burien to attract attention – and revenue, as well as grow green. These don't preclude other sectors such as health, auto, education, or tourist services, which already exist or are nascent).

1. Action: Identify city-owned vacant and under-utilized land that might potentially support art or food related sources of revenue and determine constraints, opportunities, and needed resources to take action.
2. Action: Identify ways to encourage and promote such businesses, such as incentives, training, special zoning districts (Arts, Food, Business, Tourist, etc), etc. Consider these options across all neighborhoods/corridors in Burien.
3. Action: Consider partnerships with the Skills Center and Highline Community College Small Business programs to identify opportunities to train and develop small-business entrepreneurs.
4. Action: Work with the Soundside Alliance, the SWKCC, and others regional organizations to leverage action throughout all Highline communities.

**CITY OF BURIEN
AGENDA BILL**

Agenda Subject: Follow-up to 2015-2020 Financial Forecast		Meeting Date: July 28, 2014
Department: Finance Department	Attachments: 1. <u>Forecast Memo</u> 2. <u>2015-2020 General Fund Forecast with Expenditure Reductions</u> 3. <u>Revenue Options Analysis</u>	Fund Source: N/A Activity Cost: N/A Amount Budgeted: N/A Unencumbered Budget Authority: N/A
Contact: Kim Krause, Finance Director		
Telephone: (206) 439-3150		
<p>PURPOSE/REQUIRED ACTION: The purpose of this agenda item is to provide additional materials related to the General Fund six-year forecast.</p> <p>BACKGROUND (<i>Include prior Council action & discussion</i>): On June 23, 2014, staff presented the six-year financial forecast for the City's operating funds. Staff has prepared additional materials for continued discussion of the General Fund, including an attached memo that explains the materials included in the packet.</p>		
Administrative Recommendation: N/A		
Suggested Motion: N/A		
Submitted by: Kim Krause, Finance Director Administration <u> <i>CK</i> </u>		
Today's Date: July 23, 2014		City Manager <u> <i>KG (by CK)</i> </u>
		File Code: <u>\\File\records\CC\Agenda Bill 2014\072814ad-1 2015-2020 Financial Forecast Follow-up.docx</u>

CITY OF BURIEN
MEMORANDUM



DATE: July 24, 2014

TO: Kamuron Gurol, City Manager

FROM: Kim Krause, Finance Director *KK*

SUBJECT: Follow-up to 2015-2020 Financial Forecast

This memo is to provide additional information as a follow-up to the 2015-2020 financial forecast that was presented to the City Council on June 23, 2014. The 2015-2020 financial forecast showed a structural deficit that would deplete the General Fund reserves by the end of the six-year period. The Council has scheduled additional discussion on July 28th.

The June 23 presentation included some revenue options that could be adopted to address the structural deficit, in addition to criteria for evaluating each potential revenue option. Please find attached a matrix of the revenue options evaluated against the criteria. In order to facilitate discussion, staff provided a preliminary determination of how each revenue source fits within the criteria. Staff did not offer a comment on public acceptance.

At your request, staff also identified approximately \$525,000 in expenditure reductions and modified the forecast to include those reductions. Assuming no new expenditures or funding for capital needs, the modified forecast shows a balanced budget for 2015-16, a deficit of \$1.25 million in the 2017-18 biennium and a deficit of \$3.1 million in the 2019-2020 biennium. This amended forecast shows that we could meet our minimum reserve requirements until 2020, when fund balance falls below the proposed 20% minimum.

More than half of the proposed expenditure reductions are in the Police department, and as of this writing they include FTE reductions. The reductions for other departments are related to decreases in professional services and training. I understand your goal is to propose a 2015/16 budget that does not include staffing reductions, so further work is needed.

Staff is already beginning preparation of the proposed 2015-16 biennial budget. At the July 28th meeting or in early August, it would be helpful for the City Council to provide policy direction in the areas below:

- General Fund Reserve Policy – The adopted policy is to achieve a 20% reserve by 2022. Progress toward this has been achieved in the last two biennia. There is available fund

balance to continue this progress, and the Council has options as to the pace with which the goal is achieved.

- Economic Development – This is a Council priority and is recognized as a set of efforts that would help improve quality of life as well as address the City's financial situation. Specifics range from additional staff to programs and planning projects. The Council is developing a set of Goals and Actions to direct this effort.
- Community Engagement – Another Council priority where specifics should be directed based on goals set by the Council, and I understand that such an effort is underway.
- Partnerships – Part of the fund balance could be identified for community partnerships/capital projects such as subarea plans, sports fields, a maintenance/operations facility, and other potential needs.
- Sustainability programs – Staff understand that Councilmembers have discussed enhancing the city's efforts in environmental conservation and energy management.
- Other areas identified by Council.

Please note that unless additional reductions are identified, new projects and programs likely will require additional revenue sources. I also recommend that the city continue progress toward the structural deficit.

Please let me know if you have questions.

City of Burien
General Fund
2015 through 2020 Financial Forecast
July 28, 2014
(Dollars in Thousands)

The General Fund is the general operating fund of the City. It accounts for all financial resources and transactions except those required by State law or Council policy to be accounted for in another fund.

Fund	2014 Revised									
		2013 Actual	Budget	2015 Est.	2016 Est.	2017 Est.	2018 Est.	2019 Est.	2020 Est.	
General	Beginning Fund Balance		\$ 6,446	\$ 6,026	\$ 7,858	\$ 8,073	\$ 7,882	\$ 7,402	\$ 6,624	\$ 5,497
	Revenue	Property Tax	\$ 5,685	\$ 5,811	\$ 6,000	\$ 6,150	\$ 6,302	\$ 6,460	\$ 6,524	\$ 6,590
		Sales Tax*	6,816	6,590	7,275	7,455	7,679	7,909	8,146	8,031
		Business & Occupation Tax	570	563	570	570	576	581	587	593
		Utility Tax	2,882	2,895	2,805	2,850	2,936	3,024	3,114	3,208
		Gambling Tax	558	540	440	440	440	440	440	440
		Licenses, Permits & Franchise	1,502	1,280	1,455	1,465	1,509	1,554	1,601	1,649
		Intergovernmental	1,966	1,835	1,770	1,805	1,859	1,915	1,972	2,032
		Fees for Service	993	964	972	977	997	1,016	1,037	1,058
		Fine & Forfeitures	267	200	200	200	204	208	212	216
		Miscellaneous**	289	160	162	164	167	171	174	178
	Revenue Subtotal		\$ 21,526	\$ 20,838	\$ 21,649	\$ 22,076	\$ 22,668	\$ 23,278	\$ 23,808	\$ 23,993
	Other Financing Sources - Line of Credit		2,371	-	-	-	-	-	-	-
	Revenue Total		\$ 23,897	\$ 20,838	\$ 21,649	\$ 22,076	\$ 22,668	\$ 23,278	\$ 23,808	\$ 23,993
	Transfers in from Street and SWM funds (GIS)		\$ 75	\$ 75	\$ 100	\$ 100	\$ 100	\$ 100	\$ 110	\$ 110
	Expense	Salaries	\$ 3,574	\$ 3,919	\$ 4,023	\$ 4,184	\$ 4,351	\$ 4,525	\$ 4,707	\$ 4,895
		Benefits	1,270	1,435	1,544	1,668	1,801	1,945	2,101	2,269
		Supplies	183	192	195	200	205	210	216	221
		Services	3,533	3,923	3,584	3,674	3,766	3,860	3,956	4,055
		Intergovernmental	229	123	126	129	132	135	139	142
		Jail & District Court Services	764	779	798	818	839	860	881	903
		Police Contract	9,890	10,427	10,760	11,190	11,638	12,103	12,587	13,091
		Capital Outlay	2,423	18	48	49	50	52	53	54
	Expense Total		\$ 21,866	\$ 20,815	\$ 21,079	\$ 21,913	\$ 22,783	\$ 23,691	\$ 24,640	\$ 25,631
Transfers out to Debt Service and Equipment Replacement		\$ 366	\$ 426	\$ 455	\$ 455	\$ 465	\$ 465	\$ 405	\$ 405	
Net Impact to Fund Balance		\$ 1,740	\$ (328)	\$ 215	\$ (192)	\$ (480)	\$ (778)	\$ (1,127)	\$ (1,933)	
Ending Fund Balance		\$ 8,186	\$ 5,698	\$ 8,073	\$ 7,882	\$ 7,402	\$ 6,624	\$ 5,497	\$ 3,564	
Proposed 20% Ending Fund Balance		\$ 2,153	\$ 3,126	\$ 4,330	\$ 4,415	\$ 4,534	\$ 4,656	\$ 4,762	\$ 4,799	
Discretionary available / (deficit) fund balance		\$ 6,033	\$ 2,572	\$ 3,744	\$ 3,467	\$ 2,868	\$ 1,968	\$ 736	\$ (1,234)	

*Includes .1% additional annexation sales tax credit from the State - expires in June 2020

**2014 Revised Budget excludes interfund loan of \$2.7 million as the loan was not issued in 2013

**City of Burien
2015-2020 Financial Forecast
Analysis of Revenue Options**

Revenue Option	Amount	Stable/ Predictable	Payer	Type of Tax/Fee	Adequate Funding for Future	Flexible?	Ease of Administration
Seattle City Light Franchise Fee Increase	\$425k	Yes	Rate payer	Usage-based	Modest	Yes	Easy
B&O Tax Increase	\$570k - \$1.7m	Yes	Business owner	Based on gross receipts	Modest to High	Yes	Depends on structure of tax *
Water/Sewer Franchise Fees	\$840k	Yes	Rate payer	Usage-based	Modest	Yes	Easy for City/More complex for Districts
Seattle City Light Utility Tax	\$1.275m	Yes	Rate payer	Usage-based	High	Yes	Easy
Business License Fees	\$290k	Yes	Business owner	Flat fee	Low	Yes	Easy

Additional Revenue Tool	Amount	Stable/ Predictable	Affect on Local Economy	Type	Adequate Funding for Future	Flexible?	Ease of Administration
Metro Parks District	up to \$2m	No *	Property owner	Based on assessed valuation of property	Modest to High	Yes **	Medium level of complexity

* Cities have choices as to the tax rate (up to a maximum set by the state) and the threshold amount of gross receipts where the tax would take effect.

** A metropolitan parks district is a junior taxing district subject to prorationing under the \$5.90 statewide property tax limit. It is restricted to parks activities, and staff recommend that it is best suited to generating revenue for discrete, new facilities and operations such as a community or recreation center. It is rather complex to

